
Volume 5

Withdrawals and the Return of Title IV Funds

Table of Contents

Introduction to Volume 5	5-1
Chapter 1—Withdrawals and the Return of Title IV Funds.....	5-3
Withdrawals.....	5-3
General requirements.....	5-4
When a student is considered to have withdrawn	5-4
If a student remains enrolled only in non-Title IV-eligible courses	5-4
When a student who fails to begin attendance in all the courses he or she was scheduled to attend withdraws.....	5-5
Worksheets and the Return of Title IV funds Web product	5-6
Consumer information	5-6
General Title IV Principles with Special Applicability in the Return of Title IV Aid.....	5-7
Definition of a Title IV recipient.....	5-7
Verification.....	5-8
When verification is completed before the Return deadlines, When verification is not completed before the Return deadlines, When verification is completed after the Return deadlines	
Approved leave of absence	5-10
Written formal policy required, Reasonable expectation of return, Completion of coursework upon return in term-based credit-hour programs, Completion of coursework required upon return in clock-hour and non-term-credit-hour programs, A student may return early from a leave of absence, Leaves of absence versus the grade of incomplete, No additional charges for students on an LOA, No additional Title IV assistance while a student is on LOA, An LOA may not exceed 180 days in any 12-month period	
When a student fails to return from a leave of absence	5-14
Explanation of the consequences of withdrawal to loan recipients granted an LOA.....	5-14
Unapproved leaves of absence	5-15
Institutional charges	5-15
Use of institutional charges in determining a school's responsibility for Return.....	5-15
When to prorate charges.....	5-16
Effects of waivers on institutional charges.....	5-16
Institutional versus noninstitutional charges	5-17
Returning equipment	5-17
Demonstrating a real and reasonable opportunity	5-18
Graphic, Example of school charges versus non-school charges	5-18
Treatment of Title IV credit balances when a student withdraws.....	5-19

<i>Time frame for returning an unclaimed Title IV credit balance</i>	5–20
<i>Graphic, Example of a school performing a Return calculation for a student whose account has a Title IV credit balance.....</i>	5–21
<i>Principles with unique applications in the Return of Title IV Aid.....</i>	5–22
<i>Date of the institution’s determination that the student withdrew.....</i>	5–22
<i>Date of determination at institutions that are required to take attendance</i>	5–22
<i>Graphic, When a student enrolled in a series of modules fails to return as scheduled.....</i>	5–23
<i>Use of payment period or period of enrollment.....</i>	5–25
<i>Payment period</i>	5–25
<i>Period of enrollment.....</i>	5–25
<i>Applicability.....</i>	5–26
<i>Rounding.....</i>	5–26
<i>Funds to include in a Return calculation</i>	5–27
<i>Graphic, Limits on title iv funds that may be included as Aid that could have been disbursed</i>	5–27
<i>FSEOG Program funds.....</i>	5–27
<i>If a resolved overaward becomes an overpayment.....</i>	5–28
<i>Treatment of students who withdraw from clock-hour programs, non-term credit hour programs, and nonstandard term credit-hour programs with terms that are not substantially equal (and in which no term is less than 9 weeks in length), and then transfer to a new school or reenter the same school in a similar program</i>	5–29
<i>Reentry within 180 days</i>	5–29
<i>What to do when a student whose overpayment has been referred to Debt Resolution Services reenters within 180 days</i>	5–30
<i>Graphic, Example of Reentry within 180 days</i>	5–31
<i>When a student reenters in a new award year.....</i>	5–32
<i>Reentry after 180 days, return to the same school in a new program, or transfer to a new school</i>	5–33
<i>Eligibility of transfer students for additional Title IV funds.....</i>	5–34
<i>Graphic, loan principles applicable to reentry in and transfer to clock-hour programs, non-term credit hour programs, and nonstandard term credit-hour programs with terms that are not substantially equal (in which no term is less than 9 weeks in length)</i>	5–35
<i>Directions for Adjusting Direct Loans</i>	5–36
<i>Breaks in Attendance for Students Enrolled in Programs Measured in Credit Hours without Academic Terms.....</i>	5–37
<i>Changing or Correcting a Return Calculation.....</i>	5–37
<i>Applicable Deadlines</i>	5–38
<i>Step 1: Student’s Title IV Aid Information</i>	5–39
<i>Title IV Aid disbursed.....</i>	5–39
<i>Title IV Aid that could have been disbursed</i>	5–39
<i>Exception to including funds as Aid that could have been disbursed when a student has a disqualifying comment code</i>	5–41
<i>Treatment of inadvertent overpayments</i>	5–42
<i>Late arriving aid</i>	5–43

<i>Graphic, Examples of second or subsequent direct loan disbursements and an example of a second payment period pell grant disbursement.....</i>	5-44
Step 2: Percentage of Title IV aid earned	5-46
<i>Part 1—Withdrawal date.....</i>	5-46
<i>Withdrawal date for a student who withdraws from a school that is required to take attendance.....</i>	5-46
<i>Schools required to take attendance.....</i>	5-47
<i>When a school has a requirement for taking attendance, Requirements that can only be met by taking attendance, Attendance taking requirements for some students, When a school takes attendance for one day or a limited period, When attendance taking is required only for some classes.</i>	
<i>Determining a student's withdrawal date at a school that is not required to take attendance</i>	5-51
<i>Official notification.....</i>	5-51
<i>School's withdrawal process</i>	5-51
<i>Otherwise provides official notification</i>	5-52
<i>When a student triggers both dates.....</i>	5-53
<i>Official notification not provided by the student.....</i>	5-53
<i>Withdrawal without student notification due to circumstances beyond the student's control</i>	5-54
<i>Withdrawal date when a student dies</i>	5-55
<i>All other withdrawals without student notification</i>	5-55
<i>Time frame for the determination of a withdrawal date for an unofficial withdrawal</i>	5-56
<i>When students fail to earn a passing grade in any class.....</i>	5-56
<i>Graphic, Example of a grading policy that could be used to determine whether a student unofficially withdrew</i>	5-57
<i>Last date of attendance at an academically related activity</i>	5-58
<i>Withdrawals after rescission of official notification</i>	5-58
<i>Academic attendance and attendance at an academically related activity.....</i>	5-59
<i>Documenting attendance when students are enrolled in distance education courses.....</i>	5-60
<i>Documentation of a withdrawal date</i>	5-60
<i>Withdrawals from programs offered in modules</i>	5-61
<i>Determining if a program is offered in modules</i>	5-62
<i>Graphic, How to determine whether a student enrolled in a program offered in modules has withdrawn</i>	5-63
<i>Graphic, Examples of using the three questions to determine whether a student who is scheduled to complete two courses in each of the first two of three modules within a payment period has withdrawn.....</i>	5-64
<i>When a student who has withdrawn returns within a payment period or period of enrollment.....</i>	5-65
<i>Written confirmation of future attendance</i>	5-66
<i>When a student ceases attendance between modules</i>	5-67
<i>When a student drops classes on the same day the student withdraws</i>	5-67
<i>Withdrawal date from a program offered in modules.....</i>	5-68
<i>Determining the percentage of the payment period or period of enrollment completed for a student who withdraws from a program offered in modules.....</i>	5-69
<i>Graphic, When a student who failed hours in the payment period withdraws from a non-term credit hour program offered in modules the payment period must be extended</i>	5-70

<i>Graphic, When a Student Who Was Enrolled in a Module Within a Term Withdraws from the Module, and the School Later Determines that the Student Failed to Begin the Term-Long Courses</i>	5–71
<i>Aid to include in the Return calculation.....</i>	5–72
Part 2—Percentage of Aid Earned	5–74
<i>Percentage of payment period or period of enrollment completed</i>	5–74
<i>Scheduled breaks</i>	
<i>Graphic, Example of withdrawal date when a student withdraws during a scheduled break of five or more days.....</i>	5–75
<i>Graphic, Institutionally scheduled breaks of at least five consecutive days</i>	5–75
<i>Graphic, Temporary closures beyond control of the institution.....</i>	5–76
<i>Credit-hour programs, Percentage of Title IV aid earned for withdrawal from a non-term credit-hour program</i>	
<i>Graphic, Examples of calculating a completion date for a student who withdraws from a non-term credit-hour program.....</i>	5–78
<i>Clock-hour programs</i>	
<i>When a school disburses Title IV aid to a student using different payment periods.....</i>	5–82
<i>Graphic, Example, Performing a return calculation for a student receiving aid under two payment period definitions.....</i>	5–82
When a student who received an LOAn with an abbreviated loan period withdraws	5–84
<i>Graphic, Example of a Return Calculation with Overlapping Payment Periods</i>	5–85
<i>When a student receiving Title IV aid dies during a payment period or period of enrollment.....</i>	5–86
Step 3: Amount of Title IV Aid Earned by the Student	5–86
Step 4: Total Title IV Aid to be Disbursed or Returned	5–87
<i>Part 1—Post-withdrawal disbursements.....</i>	5–87
<i>Disburse grant before loan, Summary of actions a school must take before making a post-withdrawal disbursement, Post-withdrawal disbursement of Title IV grant funds, Post-withdrawal disbursement of Title IV loan funds, Separate authorization required for educationally related expenses, Crediting a student's account, Notice to a student offering a post-withdrawal disbursement—flexibility in notifying students.....</i>	5–92
<i>Graphic, Example of the post-withdrawal disbursement requirements.....</i>	5–94
<i>Part 2—Title IV aid to be returned.....</i>	5–95
Step 5: Amount of unearned Title IV aid due from the school.....	5–95
<i>Aid disbursed to the student before institutional charges are paid.....</i>	5–95
<i>Institutional charges.....</i>	5–96
<i>Use of institutional charges in determining a school's responsibility for return.....</i>	5–96
<i>Effects of a post-withdrawal reduction in charges</i>	5–97
<i>When to prorate charges.....</i>	5–97
<i>Effects of waivers on institutional charges</i>	5–97
Step 6: Return of Title IV Funds by the School	5–98
<i>Order of return of Title IV funds.....</i>	5–98
<i>Time frame for the return of Title IV funds.....</i>	5–98
<i>Downward adjustment of FSA grant disbursement records and Direct Loan disbursement records required</i>	5–99
<i>Returning Direct Loan funds.....</i>	5–99
<i>Returning funds from FFEL Loans purchased by the Department</i>	5–99
<i>Returning funds after 240 days.....</i>	5–100

Step 7: Initial amount of unearned Title IV aid due from the student.....	5-101
Step 8: Repayment of student loans	5-101
Step 9: Title IV grant funds to be returned by a student	5-101
Step 10: Return of Title IV grant funds by the student.....	5-102
A school's responsibilities in the return of funds by the student.....	5-102
<i>Grant Overpayments</i>	5-102
<i>When a student receives additional funds during the 45-day period of extended eligibility</i>	5-104
<i>Graphic, Examples of the relationship between the date of notification and the expiration of the 45-day period</i>	5-105
<i>Student overpayments of \$50 or less</i>	5-106
<i>Payments on a student's behalf</i>	5-107
<i>Recording student payments and reductions in the Title IV grant programs</i>	5-107
<i>Recording student payments and reductions in the Direct Loan Program</i>	5-109
<i>Notifying the Department</i>	5-110
<i>Reporting and referring overpayments</i>	5-111
<i>Required referrals</i>	5-113
<i>Summary</i>	5-114
<i>Accepting payments on referred overpayments</i>	5-115
<i>Corrections or recalls of referred overpayments</i>	5-116
<i>When a student loses eligibility at a former school while receiving aid at a second school</i>	5-117
<i>Chart—Withdrawal Dates for a School that is not Required to Take Attendance</i>	5-118
<i>Sample Summary of the Requirements of 34 CFR 668.22 (to provide to students as part of consumer information)</i>	5-119
<i>Chart, Return of Title IV Funds Requirements and Deadlines</i>	5-121
<i>Chart, Return of Title IV Funds Requirements for Notification</i>	5-122
<i>Worksheet—Treatment of Title IV Funds When a Student Withdraws From a Credit-Hour Program</i>	5-123
<i>Worksheet—Treatment of Title IV Funds When a Student Withdraws From a Clock-Hour Program</i>	5-126
<i>Form—Information Required when Referring Student Overpayments to Debt Resolution Group</i>	5-129
Chapter 2—Case Studies in Withdrawal and Return of Title IV Aid	5-131

